

139.510 Use tax credit for sales tax paid in another state under reciprocal arrangement -- Tax credit for taxes paid in another state on communications service.

- (1) The tax levied by KRS 139.310 shall not apply with respect to the storage, use, or other consumption of tangible personal property, digital property, or extended warranty services in this state upon which a tax substantially identical to the tax levied under KRS 139.200 (not including any special excise taxes such as are imposed on alcoholic beverages, cigarettes, and the like) equal to or greater than the amount of tax imposed by KRS 139.310 has been legally paid in another state. Proof of payment of such tax shall be according to rules and regulations of the department. If the amount of tax paid in another state is not equal to or greater than the amount of tax imposed by KRS 139.310, then the taxpayer shall pay to the department an amount sufficient to make the tax paid in the other state and in this state equal to the amount imposed by KRS 139.310. No credit shall be given under this section for sales taxes paid in another state if that state does not grant credit for sales taxes paid in this state.
- (2) To prevent actual multistate taxation of a communications service subject to taxation under this chapter, any provider or purchaser, upon proof that the provider or purchaser has paid a tax in another state on the same communications services, shall be allowed a credit against the tax imposed by this chapter to the extent of the amount of the tax legally paid in the other state.

Effective: April 27, 2018

History: Amended 2018 Ky. Acts ch. 171, sec. 45, effective April 14, 2018; and ch. 207, sec. 45, effective April 27, 2018. -- Amended 2009 Ky. Acts ch. 73, sec. 19, effective July 1, 2009. -- Amended 2005 Ky. Acts ch. 85, sec. 422, effective June 20, 2005. -- Amended 2000 Ky. Acts ch. 547, sec. 9, effective January 1, 2001. -- Created 1960 Ky. Acts ch. 5, Art. I, sec. 72, effective February 5, 1960.

Legislative Research Commission Note (4/27/2018). This statute was amended by 2018 Ky. Acts chs. 171 and 207, which do not appear to be in conflict and have been codified together.

Legislative Research Commission Note (4/27/2018). Pursuant to 2018 Ky. Acts ch. 207, sec. 152, the amendments made to this statute in that Act apply to transactions occurring on or after July 1, 2018.